

THE FATE OF ODORUM

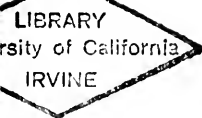
DAVID STARR JORDAN



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THE FATE OF ICIODORUM

BEING

THE STORY OF A CITY MADE RICH
BY TAXATION

BY

DAVID STARR JORDAN

President of Leland Stanford Junior University

"En France, pays libre, l'humoriste peut
généralement se confondre avec l'historien."

G. H. de Caillevet.

"Quand la vérité est fantaisiste, la fantaisie
n'a qu'être vraie."

Ferdinand Brunetière.



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TO

HENRY HOLT

In recognition of his attitude toward the octroi as
a means of enhancing national and
individual prosperity

PREFACE

ONE feature of this little story is worthy of note. It was written and published before most of the historical events described in it had actually come to pass. But since the time in which the chronicle was written most of the events and nearly all the speeches have had their close parallels, even in America; and a representative of labor named Jacques has run for Mayor of Paris in opposition to the progressive enthusiasm represented by the now forgotten Boulanger.

The first draft of the chronicle was made in Auvergne in 1883. It was printed in the *Popular Science Monthly*

for August, 1888. At that time, the national Octroi was in full operation in our country, but we had had little experience with trusts and strikes, with rebates and deficits, with ground floors and lockouts, with surplus and freeze-outs, with other concomitants of industrial prosperity. These have followed the Octroi in the United States, as they followed it in Issoire.

Two general lessons may be drawn from this record: the first, that history repeats itself, if it be real history, not a succession of unrelated incidents; the second, that national wealth may be enhanced by taking money from the hands of the poor who waste it (the reason why they are poor), and putting it into the hands of the rich and powerful, who know how to make money work. It is a well-attested fact that prosperity will al-

ways follow when property can be transferred in a lawful and orderly manner from the many who do not know what to do with it, to the few who have the skill to use it; and to place it where a fortune will multiply after its kind and bring forth greater fortunes. From this appears the inherent fallacy of the current expression "the greatest good of the greatest number"; for it is always the smallest number who can produce the greatest good, even as a dozen embryo rosebuds must be pinched off to make a perfect Duchesse d'Angoulême, or perchance it may be an American Beauty. By the process of granting relief to infant industries as they appear—through the Octroi guarantee of "a reasonable profit," whatever the investment, all at the expense of some one else—it is possible to build up colossal enterprises that bestride the earth, with senates and presi-

dents, ministers and kings, at their beck and call. Thus the force of the nation is enhanced, and its affairs are on the tongue of the world.

And all this magnificence of wealth and power, so important for national advertisement, costs little or nothing to the people of the nation: a few sous or a few francs from each one; the rest is paid by foreigners. Nobody is much the poorer for all the riches of the Anonymous Equitable Associations of the nation, and the few who are so, chiefly weaklings or persons without enterprise, are negligible quantities in the development of high finance. It is only the doctrinaire who raises his voice against the Octroi. The practical man sees in it the open door to a world of opportunities.

This article first appeared under the title of "The Octroi at Issoire." It is reprinted under its present title in "Sci-

ence Sketches," McClurg, 1896. A few changes have been made in the present edition, and a few notes added, partly in illustration of "the fulfilment of prophecy."

DAVID STARR JORDAN.

STANFORD UNIVERSITY,
February 12, 1909.

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THE FATE OF ICIODORUM

CHAPTER I

THE TOWN

IF you look on a good map of France, you will find, a little south of the center, a small, squarish area, painted red, and bearing the name of Puy-de-Dôme. This Puy-de-Dôme is a singular region, made up of fertile red-soiled valleys separated from each other by ragged hills which were once volcanoes in Paleozoic times. These volcanoes have long since retired from active life, and are black and dismal now, their faces scored by lava-furrows, like gigantic tear-stains dried on their rugged cheeks. In their craters are ponds of black water full of perch and trout—as black as the rocks above which

they swim. The highest of these hills the people call the Puy-de-Dôme—the Cathedral-peak. There is an observatory on the top of it, and all the country that you can see from the mountain-summit makes up the “department” of Puy-de-Dôme, the whole lying in the ancient province of the Arverni or Auvergne.

On the south side of the department, near what one might call the “county line,” you will find, if your map is a good one, the little city of Issoire. Issoire is a very old town. It was built by the Celtic tribe of Arverni, who knew a fertile valley when they saw one. The Romans knew it. They found it when they invaded Gaul, 1,900 years ago, and they called it Iciodorum. As to how to spell the name they were not very sure, for in their records we find, according to Professor Fairclough, also Iciodurum, Icciodurum, and Issiodurum. They

found it again in the year 287, when they came up to convert the Gauls to Christianity, a thing which they had neglected to do upon their first visit. The Romans brought with them a pious monk, St. Austremoine by name, and the people of Icidorum captured him, and roasted him duly, in accordance with their heathenish customs. So, as the blood of the martyrs is the seed of the Church, Issoire came in time to be famous as having the largest and the best parish schools in the whole province of Auvergne.

Issoire has a long, long history, which is duly set forth in the *Guide Joanne*; most of it is not essential to this narrative. Its story is one of castles and robbers and chivalry, with here and there a fair dame and an ancestral ghost. Once Issoire fell into the hands of the famous knight Pierre Diablenoir, the Duke of Alençon. After plundering all the shops,

burning all the houses, killing most of the people, and scaring the rest off into the woods, Pierre set up in the public square a large column bearing this simple legend: " Ici fut Issoire " (" Here was Iciodorum "). Were it not for this touching forethought, we might be to this day as ignorant of Iciodorum's location as we are of the site of Troy.

But the years went on, the wars were ended, the rain fell, the birds sang, the grass grew, the people came back, and Issoire arose from its ashes. To-day it is as dull and cozy a town as you will find in all France. It has now, according to Joanne, a population of 6,303 souls, and a considerable trade in grain, shoes, millstones, brandy, and vinegar. The streets of Issoire are narrow, the houses are crowded closely together, as if struggling to get as near as possible to the church for protection. The city lies in

the fertile valley of the little river Couze, surrounded by grain lands and meadows. Toward the north a long white highway shaded by poplars leads out across the meadows and hills towards the larger city of Clermont-Ferrand, the capital of the department of the Puy-de-Dôme. Issoire is inclosed by an old Roman wall, and, where the highway enters the town, it passes through a ponderous gate, which is always closed at night, as if to ward off an attack from some other Duke of Alençon.

CHAPTER II

THE OCTROI

I STROLLED out one midsummer afternoon on the road leading to Clermont. When I came to the city gates I first made the acquaintance of the Octroi. A little house stands by the side of the gate, and here two or three gendarmes—old soldiers dressed in red coats with blue facings—watch over the industries of the town. Wheelbarrow-loads of turnips, baskets of onions or artichokes, wagon-loads of hay, all these came through the city gate, and each paid its toll into the city treasury. One sou is collected for every five cabbage-heads, or ten onions; or twelve turnips, or eight apples or three bunches of artichokes, and other

things pay in proportion. This payment of money is called the Octroi. The process of its collection interested me so that I gave up all idea of a tramp across the fields, sat down on an empty nail-keg, and devoted myself to the study of the Octroi.

The Octroi is an instrument to advance the prosperity of a town by preventing the people from sending their money away. It is a well-known fact that individuals become poor simply because they spend their money. So with cities. What is true of the individual is doubly true of the community, itself but an aggregation of individuals. Nations, as well as individuals, grow rich by doing their own work. Commerce, as is well known, is a great drain on the resources of a town, as of a nation. When people sell, they send away their property. When they buy, they part with their money. Now, if in some way we can keep the

money of the town within its limits, the town can not fail to grow rich. As Benjamin Franklin once observed: "a penny saved is twopence earned." The great problem in municipal economics is this: How shall we keep the town's money from going out of it? How shall we best discourage the buying of articles from dealers outside?

To meet this problem, the wisdom of the fathers devised the Octroi.

In view of the prospective introduction of the Octroi into America (and I trust that I am violating no confidence in saying that this is the real object of the present visit to Europe on the part of one of America's foremost statesmen), it is worth while to examine carefully its nature and advantages.

Years ago, before the Octroi came to Issoire, the city was noted chiefly for the barter of farm products. The farmers

used to bring in grain, hides, cheese, and other produce, which they would exchange for clothing, sugar, coffee, tobacco, and the various necessities of existence. The merchants in turn loaded the grain into wagons which were driven across the country to the city of Clermont. Here the grain was exchanged for clothing, food, and all manner of necessities and luxuries which were made in Clermont, or which had been brought thither from the great city of Lyons. There were long processions of these wagons, and all through the autumn and winter they went in and out. And the Issoire people were very proud of them, for neither coming or going were they empty, and the teamsters of Issoire were the most skilful in the whole basin of the Loire.

CHAPTER III

AN IMPROVEMENT

BUT the Mayor of the city, and other thoughtful people, saw cause for shame rather than for pride in the condition of Issoire's industries. It was ruinous thus steadily to carry away the wealth of the land and to exchange it for perishable articles. When a wagon-load of boots, for example, had been all worn out, then the boots were gone. The money that had been paid for them was gone, and so far as Issoire was concerned, it was as much lost as if money and boots had been sunk in the bottom of the sea. The money that was *paid out*, I say. Not so with the money that was *paid in*. If those boots had been bought in Issoire, the money they

cost would still be in town, still be in circulation, and would go from one to another, from hand to hand, from pocket to pocket, in the way that money is meant to go. This drain must be stopped, and the Octroi could stop it. So it was enacted by the Common Council of Issoire that "whosoever brings a pair of new boots into Issoire shall be compelled to pay ten francs," which was the cost of a pair of boots at Clermont. The purpose of this order was not to raise money, but to have boots made in Issoire, that the wearing out of these necessary articles should not wear out, at the same time, the wealth of the town.

"People will have boots," the Mayor said: "they can not afford to bring them in from Clermont, and so they will make them at Issoire, and all the boot money will remain at home. It is as though, so far as the city is concerned, Issoire gets

her boots for nothing. To be sure, Clermont has a good water-power, and her nearness to the mountains makes the price of hides and tanbark lower, but this has nothing to do with the question. Natural advantages amount to nothing when artificial advantages can be given by a mere stroke of the pen. The laws of political economy can be equalized by judicious statesmanship. Depend upon the Octroi to give us every advantage of the most favored people."

A new boot factory was now built at Issoire, and boots were offered for sale at twenty francs a pair. The cost of boots at Clermont was ten francs, and the Octroi charges at the city gate amounted to ten francs more. Buying at twenty francs would save the purchaser a trip to Clermont and back, and, as trade is apt to flow in the direction of least resistance, after a little the Issoire boot industry became

fairly established. There was some grumbling at high prices. Some of the laboring classes went barefooted, while the doctor and the schoolmaster put their children into wooden shoes, or sabots, such as peasant children wear. But the Mayor and the Common Council took shares in the new factory, and, being members of the Company, they got their boots at the old rates, beside having a part in the large dividends which the business soon began to yield. Employment was given to more workmen who came over from Clermont, the hum of machinery took the place of the creaking of farm wagons, the rich began to grow richer, the poor went barefooted, and the people of moderate means felt able to run into debt because they lived in a progressive town. The wives of the members of the Common Council bought diamonds, and the members presented the Mayor with a

gold-headed cane. Soon other boot factories were started and still others, though strangely enough, the more boots that were produced, the more barefooted children were seen in the streets. But the money went steadily into the hands of those who used it best, and that is the main element in communal prosperity.

By and by the tanners decided that they too must have some personal share in the prosperity of the city. They too demanded an Octroi. It was as bad, they said, for the factories to send to Clermont for leather, as for the merchants to send for boots. In either case, the money went out of the town, and was gone for ever. To keep it at home, the raw material must be furnished at home. The city must tan its own hides and skins. So the Octroi was levied on leather as well as on boots. Then the guild of butchers put in a similar claim. To buy raw hides of the herds-

men out on the Puy-de-Dôme was a part of the same suicidal policy. We must grow our own leather as well as tan it. The Octroi was therefore assessed on all imported skins. The butchers established their own stockyards within the city walls, and were saved from the pauper competition of the mountain cattle. Then the mountain herdsmen drove the cattle on to Clermont, and Issoire raised her own in the backyards of the city.

But some of the boot-makers complained that this policy was injuring their business by greatly raising the price of hides, whether produced in Issoire or at Clermont. So the Mayor sent a letter to the Issoire *Courrier des Grands Moulins*, a long letter which the schoolmaster had helped him to compose, and in which he showed conclusively that the purpose of the Octroi was to make things not dearer, but cheaper. Said he: "The ultimate re-

sult is always in the end to reduce prices. The sole purpose of the Octroi on hides, for example, is to educate our people in the art, so to speak, of raising hides. By this education, they may, by superior intelligence, experience in the business, and the acquirement of knowledge on the subject, be enabled to produce cowhides in such abundance, by new and improved methods, that they may sell them much cheaper than they do now, sell more of them, and yet realize a larger profit on each hide than they can do at present. If there is a fair prospect that this can be accomplished, who shall say that it is not a part of wise statesmanship to attempt this result? Cattle-raising is now carried on in the most primitive way, by driving the cattle about as though they were wild beasts, from place to place on remote and uninhabited hills. The Octroi will tend to encourage each householder in Issoire

to keep his own cow, produce his own leather, as well as his own butter, cheese, and beef, thus diversifying his business and giving him some new product to sell each year, some new demand for labor."

And the thoughtful men of Issoire, the leaders of public opinion, saw the force of this argument, and they were satisfied to submit to temporary inconvenience for the sake of the final industrial development of the people.

CHAPTER IV

DIFFICULTIES

BUT the boot-trade was already growing slack. The market had supplied boots for all, but the people perversely had refused to take them. The shop-windows were full of boots, temptingly displayed in rows of assorted sizes; nevertheless, every person in Issoire, except those engaged in boot-making, seemed bent on wearing his last year's boots rather than pay twenty francs for a new pair. The high price of leather and hides since the exclusion of the mountain cattle, began to reduce the profits of boot-making, and so some of the factories threw a poorer article on the market, without, however, any corresponding re-

duction in price. And people found it cheaper to go to Clermont again for boots, notwithstanding the payment of the Octroi. Accordingly the old wagons were sent out once in a while by people to whom a few sous saved seemed of greater moment than the industrial leadership of a people. There was also a little coterie of the aristocrats who sneered at the Mayor as a demagogue, and at the Octroi as a "relic of the Middle Ages." These used to wear Clermont-made boots, and to ape Clermont fashions, and to allow cupidity to replace patriotism. But all good citizens repudiated these people and their alien fashions, and the maintenance of the "Issoire idea" became one of their articles of faith next to those in the catechism.

But Clermont-made boots often came in on the sly—no one knew how—to the dismay of the local dealers. The Com-

mon Council saw very soon that the single old soldier who guarded each of the city gates could not meet all the requirements of the Octroi. So at each gate were placed a dozen gendarmes in red woolen uniforms with black caps fastened on by a leather band which went round the lower lip, and the gendarmes searched every cart and every ash-barrel that went in or out. They watched every rat-hole in the wall to see if haply, by day or by night, boots should come into Issoire without the chalk-mark of the Octroi. Occasionally some poor wretch was taken in the act of throwing boots over the wall, and made to pay the penalty of his crime. But sometimes even the gendarmes themselves, the guardians of the prosperity of the community, were seen walking about in Clermont-made boots, which they had obtained by the method known in Issoire as "addition, division,

and silence." The attention of the Mayor was called to this one day, but the gendarmes had just presented him with a gold-headed cane. They were all very much devoted to the Issoire idea—no one could be more so. It was just before election. The leader of the gendarmerie was his friend, and on the whole he wisely thought it best not to say anything about it.

The problem now before the Mayor and the Common Council was this: How shall we put life into the boot-trade? The stock was large, its quality was excellent for the most part, the home market was the best of markets, yet for days at a time the boot-shops would not see a customer. Something must be done. At last, an ordinance was passed that every citizen of Issoire must have at least one pair of Issoire-made boots, which must be worn on Sunday afternoons when the

band played in the park—at which time the gendarmes would go about on a tour of inspection. But when Sunday came, half of the workingmen stayed at home all day because they had not the money to meet the requirements of the law. A few of the bolder ones, who could see farther into the future, went to the Mayor and said openly: “If you want us to wear Issoire-made boots, you must furnish them for us. You ought to do it anyhow. This city owes us a living. We have come over here from Clermont to get it. We were told that the workingman in Issoire would have the Octroi on his side, and would not have to work like a slave to keep soul and body together, as we had to do at Clermont. But it is the same old story here. We do all the work, and somebody else gets all the profits. We create all values, and you take all the wealth. Without labor Is-

soire could not exist. As matters are, we have to buy and pay for the boots we make ourselves. The cowhide in a pair of boots costs the capitalist but a franc, and we, the boot-makers, pay twenty francs for the boots when we have made them. The other nineteen francs are the product of labor and ought to belong to us. If you do not grant it to us, we will take it. Our boots should be furnished at a franc a pair."

So they held a mass meeting in the café of the Lion d'Or, and resolved that the rights of man must be respected in Issoire. They sent a delegation to the Mayor, asking that boots for the working-man be furnished at the expense of the town. This would be but justice, and, moreover, it was the only way to start anew the wheels of industry. Money should not be locked up in the city treasury. It should go from man to man, from

pocket to pocket, and this action was sure to set it going.

Then the schoolmaster wrote a long letter to the *Issoire Courrier des Grands Moulins*, in which he showed very clearly that this claim was on the whole a just one. The foundation of all prosperity rests with the man who works with his hands. All else must rest on this foundation. The laborer is worthy of his hire, and the place where money should go is always where money is. The argument seemed to point both ways, but all applauded it because it looked very learned; and, moreover, its conclusions, so far as the distribution of boots was concerned, were in harmony with their previous opinions. The schoolmaster showed that as boots were worth twenty francs a pair, and the leather in them cost but one franc, the nineteen francs left were the product of labor, and should rightfully be returned to the la-

borer, passing on the way, however, through the hands of those in authority, who understood how money could be made to grow. Now, over in Clermont, where boots were made by pauper labor, the boots sold for ten francs, and the leather in each pair was worth but fifty centimes. In Clermont, therefore, the right share of labor, even if labor had its due, which it never has except through the intervention of the Octroi, was only nine and a half francs. To labor belonged nine and a half francs on each pair of boots in Clermont, and nineteen francs in Issoire. The lot of labor was then twice as delightful in Issoire as in Clermont, this difference being due to the beneficent influence of the Octroi.

And the Common Council, who were friends of labor, decided that hereafter the price of boots should be twenty francs to workingmen, but that nineteen francs

of this should be paid as a bounty from the public treasury. But, "always taking out of the meal-bag and never putting in, soon comes to the bottom," as Benjamin Franklin once said, and there have been few shrewder observers of French politics than he. One morning, when the treasurer put his hand into the strong-box to get the nineteen francs to pay for one pair of boots, he found it empty. There were only a bad franc, a fifty-centime note, and half a dozen copper sous and two-centime pieces; nothing more. He had come to the bottom.



CHAPTER V

A CRISIS

HERE was a crisis! The Mayor and the Common Council were called together in haste. The workman, Jacques, who wanted the boots, was waiting outside—a big, burly fellow, with a sledge-hammer fist and an unpleasant look in his eye. The Mayor took one glance at him, and saw that this was an occasion demanding careful attention. Moreover, this one case was not to end the difficulty. The road to Clermont and the road across the mountains to Aurillac—the chief town of the next department, Cantal—were black with the advancing hosts of workmen coming to share the privileges which Issoire held out to the oppressed of every

city. Through the windows of the Hôtel de Ville the Mayor could see them coming, and he knew that the demand of each of them would be "boots." It was not one pair of boots to be paid for, but thousands! There were boots enough in Issoire. The factories were never so prosperous, and the money they received from the city was kept in rapid circulation. The grocers got some, the butchers got some, a great deal went to the landlady of the Golden Lion, and the wives of the factory owners and the councilmen bought diamond necklaces to match the earrings they had before.

But this could not go along unless the city treasury could meet the demands upon it. In the words of the celebrated economist, "The mill can never grind again with the water that has passed," and unless new water could be procured, grinding was over in Issoire. The town

must have money, or else the factories would be closed, the supply of boots cease, and each citizen of Issoire would have to support himself by his own unaided exertions, even as they did at Clermont, Aurillac, and other less favored cities.

It was a great crisis, but such crises, "God's stern winnowers," as the poet calls them, are the making of great men. And this crisis made a great man of the Mayor of Issoire. Say rather that it created a background against which his greatness could be seen. The Mayor bore a glorific name, as mayors do, especially in the south of France, Panache-Blanc, let us say. But if ever the name of a mayor were

"On Fame's eternal beadroll worthy to be filed,"

it was the name of Panache-Blanc, and it is my constant hope, nay the purpose of

this little volume, that I may sometime file it there.

It is a wise saying of the philosopher that "The men who get things done are the men who walk up and down the King's Parade, from two to four of the clock, every day of their lives." The Mayor of Issoire was a man who got things done, and even thus, he regularly appeared on the Issoire "Promenade du Roi." To be sure there had been no kings in France for half a century, and even France had had her fill of them. Not one of these had ever used this famous promenade. Issoire was nothing if not progressive, and as such, she kept ready her King's Parade, for no one could tell when it might be needed, and indeed, the Mayor filled it as fully as would any ordinary king.

The Mayor said: "All our prosperity is due to the action of the Octroi on a

single article of necessity—namely, boots. This is prosperity along a single line only, a one-sided development of our industries. Because our development is one-sided, our present embarrassment naturally arises. Put the Octroi on every article we produce, and you have prosperity along the whole line. Put it on all other produce, and these again we will be helped to make. If there is anything we can not produce, we will collect the Octroi from those who produce it. Thus we can raise the money to pay for the boots which Issoire recognizes as the just due of the toiling workmen.” Here the Mayor wiped a tear from his eye, and raised his voice a little, in the hope that perchance some toiling workingman might be listening outside, or taking his needful midday rest at the Golden Lion, next door.

“On those of other cities who deal in

tea, coffee, pepper, diamonds ” (here the Common Council heaved a sigh), “ and other articles which Issoire does not produce, we will raise the income which the city needs. And the great charm of this tax is that the people will not feel it at all, for it will be paid by outsiders, by those merchants from Clermont and Lyons who send their goods to our town. They own the goods, they bring them here, they pay the Octroi, for we shall not buy a single thing of them until the goods are safe inside the city gates. By a single stroke in financial policy, we shall keep our factories running, our workingmen contented, and our people prosperous and happy. Meanwhile the merchants in our rival cities will pay all our expenses. As for the other articles which we buy in Clermont, we can make them here, with the Octroi to help us. Extend the Octroi to everything, and Is-

soire will become a microcosm, a little world within a world. We shall do everything for ourselves. There is no excuse for buying anything in Clermont, so long as there is a foot of land in Issoire on which a factory can be built. We shall have woolen-factories, and powder-factories, and iron foundries, and distilleries, and cotton-factories, and wine-vaults, and chair-factories, and stone-quarries, and gold-mines, and flouring-mills, and paper-mills, and sawmills, and windmills, and ginmills, and——”

But here the Mayor began to be a bit incoherent. He had been out late with the boys the night before, explaining the advantages of the Octroi at the club in the Café de la Comédie, and his private secretary pulled his coat in warning that he should bring his speech to a close.



CHAPTER VI

MORE IMPROVEMENTS

THE Mayor's recommendation was accepted in part. A few of the Council had been in favor of issuing some kind of cheap money—some sort of brass or paper token, which they could make by machinery whenever the treasury became empty; but this useful expedient was left as a final resort. There were some few who had old "assignats," of no value except as heirlooms, and already the Mayor found a repugnance against the reception of mere promises to pay. Finally they agreed to extend the Octroi to twenty-seven articles—mostly articles of food or clothing which had been brought in from Clermont or from the mountains

of the Puy-de-Dôme. The workman Jacques was dismissed with a pair of boots, for which the Mayor himself paid, to avoid any further discussion. Jacques left the council chamber satisfied, and the crisis was averted.

And now money flowed in again to Issoire. The farmers who brought in onions paid a little, the boy who pulled watercresses a little, the milkman a little, the wine-growers a great deal more, but most of all came in from Clermont merchants, who in spite of all discouragement still persisted in dumping their cheap goods in Issoire.

Prices went up; a sure index of prosperity. It was easy to pay one's debts—easier still to make new ones, the essential element in prosperity. But the great thing was that the money was kept in the town. To go from hand to hand, from pocket to pocket, and then from hand to

hand again, as in the endless round of the fairy tale—that is what money is for. Factories sprang up as if by magic, and down the great white highways multitudes of the crushed and down-trodden of other cities, and of other counties of France, were seen tramping along to share the prosperity of Issoire. Five hundred soldiers in red and blue uniforms had taken the place of the dozen gendarmes, the dome of the church was gilded anew, and the poet wrote a sonnet in which Iciodorum was compared to the island of Calypso, and the Mayor to Ulysses.

But weather was never so pleasant that nobody had the rheumatism, country was never so happy that grumbling did not rise as though from the ground, dream was never so fair that a nightmare could not overtake it. There were some complainers even at Issoire. Those who lived

on incomes and endowments said that, with the rise of prices, it was every day harder to make both ends meet. One wealthy man who wore Clermont-made boots, and had furnished his sons with private tutors and saddle-horses and gold watches, now found it almost beyond his means to keep them in ordinary clothing. But he soon removed to Clermont, and others of the same sort went with him. With them, too, went the widows and orphans who lived on endowments, and the old soldiers who had government pensions. And the school-teacher and his associates stayed and starved, but that did not dampen their enthusiasm.

But the Mayor said: "Let them go. Every emigrant who leaves for Clermont is a good riddance. They belong to the non-producing class, a class that hangs like a millstone on the neck of labor."

But, in spite of all adverse influences, many people from Issoire visited Clermont in fine weather for pleasure or for trade. It was pleasant to wander about the large town, the home of their ancestors, to be a part of the bustle of its streets, and to breathe its metropolitan air. There were better opera-houses there, and picture galleries, and more stylish cafés, and there was a special charm in the shops where prices far below those at Issoire were ostentatiously fixed on elaborately displayed wares. And so—almost before the owner knew it—many an Issoire wagon was loaded down with cheap goods from Clermont. But, although the Octroi was paid at the city gates, the real purpose of the Octroi was evaded. The money, in the first place, had been spent outside the city. Worse than this, the Octroi instead of being paid by the Clermont merchants—as the law

intended—was collected, as the Mayor of Issoire now said, “off our own people.” If this was to be done, it would be just as easy and a great deal cheaper to collect a tax in direct proportion to the value of each man’s income or capital. But to do this, as is well known, is to bring the final bankruptcy of the town that tries it.

Another ordinance was clearly necessary. The wagon-maker of Issoire had long since gone out of the business. The prices of the wood, iron, leather, and paint were such that he could not compete with Clermont manufacturers. So the wagon-shop was closed, and carriages and vehicles of all descriptions were brought over from Clermont. The cost of these vehicles had been a heavy drain upon the resources of Issoire. The Octroi alone could not remedy this: for nothing short of absolute prohibition of out-

side purchase would revive the wagon-trade. So the Mayor proposed that by another bold stroke the dying industry should be revived, while at the same time the citizens of Issoire should be prevented from paying the Octroi. It was enacted that no citizen of Issoire should own any sort of vehicle—wheelbarrow, cart, wagon, carriage, or barouche—unless said vehicle was made in all its parts at Issoire, and bore the signature of the Mayor and the seal of the Common Council. This saved the city many thousand francs, for now that the people no longer drove over to Clermont, the Clermont merchants sent goods to Issoire; and, when they entered the gates, the Clermont people paid the charges of the Octroi.

When the first Issoire wagon was finished, the maker had put such a high price on it that no one would buy, and the

reviving industry began to faint again. The wagon-maker said he could not help it. Unless he could get some wood and nails at special prices his wagons would be out of the reach of all buyers. A few of the Common Council were in favor of releasing the wagon-maker from the Octroi on articles used in the manufacture of wagons, but the rest were unwilling to do this—because the buying of these materials outside is another drain on the prosperity of the town. At last they arranged a compromise, by which the city gave an order for a new street sprinkler and twelve rubbish carts, to be paid from the public treasury. They had no need for a new sprinkler then, and five rubbish carts would have been enough. But a liberal order like this made the wagon-maker contented, and a generous policy was necessary to start anew the wheels of trade, which, in spite

of all their endeavors, were frequently becoming clogged.

Once more the treasury was nearly empty. The citizens of Issoire, accustomed to having their taxes paid by the people of Clermont and Lyons, would not submit to any form of taxation. Had the Common Council said: "We must have so much money; we propose to take it from your pockets by a direct assessment," the people would have risen as one man and put the opposition candidates into office. Direct taxation is a confession of barrenness in expedients. Where money is to be raised, it should always be collected from foreigners, if possible. This is a maxim in political science familiar to statesmen of France, and all successful financiers from Julius Cæsar to Napoleon the Great have acted in accordance with it.

The falling off in the Clermont trade,

due to the new wagon law, had made a serious reduction of the revenue. And now appeared the wisdom of the Mayor's suggestion. What Issoire needed was no half-way enterprise, but prosperity along the whole line. A partial Octroi means only partial prosperity. A universal Octroi insures prosperity which is unbounded and universal.

CHAPTER VII

A MATURED POLICY

AND so the schoolmaster took a copy of Littré's "Unabridged Dictionary" and the "Dictionary of the Academy," and from these he drew up a list of three thousand eight hundred and seventy-two articles on which the city government might levy the Octroi. And the Mayor and the City Council sat up half the night to decide just how much Octroi each of these articles should bear, in order to secure the best results to the community.

The list began:

Absinthe	Octroi one franc per bottle
Accouterments	Octroi five francs per set
Acids	Octroi one franc per liter
Alcohol	Octroi five francs per liter

Alligators	Five francs each
Amandes Vertes	Five francs per kilogramme
Animals (not otherwise specified), Octroi,	ten centimes per kilogramme
Arnica	Octroi five francs per kilogramme
Artichokes	Octroi five centimes each

and so on, through camels, cart-wheels, and cornucopiæ, down to xylol, zinc, and zoöphytes.

The general effect of this law was like that of a refreshing rain upon a thirsty field. Everybody took heart, and general confidence in the future is the chief element in financial prosperity. But the law had some curious results.

The Octroi on elephants was so high as to be prohibitory and an Italian organ-grinder thanked his stars that he and his monkey were well inside the city gates before the law went into effect. The combined tax on quadrumana and musical instruments was more than he could pay.

Once within, however, he enjoyed a full monopoly, and this, so the schoolmaster told him, was just what the law originally intended: for Octroi is spelled in Latin "auctoritas," "by authority," an authorized monopoly.

The manufacturers of dolls were much encouraged. Christmas was coming on; the children must have dolls; and the pauper doll-makers of Jonas, from whom the people had bought their puppets, were by no means able to pay the Octroi.

But, on the other hand, the trade in looking-glasses was nearly ruined. The Octroi on glass, quicksilver, wood, tin, varnish, and glue, drove the mirror-maker distracted. The people took to polishing up tin pans, and to looking into dark windows or down into deep wells, in search of the truth that is metaphorically said to be "lying" there. Then the law offered some curious anomalies. For in-

stance, a sheep with the wool on went through the gates of the city for fifteen francs. If the wool was taken off, it was charged a franc per pound, and the sheep went in as mutton, paying five francs. It was therefore cheaper to take a sheep to pieces outside the city gate rather than within.

Again, there was a curious complication in the matter of boot-jacks, a humble article of domestic use, manufactured in the little village of Jonas, just mentioned. If these were sent in as household furniture, each paid a franc, while, as wooden ware, the charge was fifty centimes.

With the millstone trade the result was even more remarkable. One of the chief articles of export from Issoire, in its early days, was the stone used in flouring-mills. In the lower part of the city, close to the river Couze, there is an extensive quarry of a coarse, hard sand-

stone, most excellent for milling purposes. It had long been a saying with the Issoire people, "We send Clermont the wheat, and the stones to grind it." The Issoire millstones were not inferior to those quarried in Cantal, and, the distance from Clermont being much less, the Issoire millstone cutters had almost a monopoly of the Clermont trade.

In the early days of the Octroi, however, the wagons which had formerly brought over manufactured goods in exchange for millstones were obliged to go to Issoire empty. Thus their owners had to charge for one trip almost the former price for two. This increase of transportation brought down the price of millstones in Issoire, for the competition of the quarries of Cantal made it impossible to raise the price at Clermont. To do that would be to divert the trade of the Clermont mill-owners entirely to Cantal.

In such cases the price of the whole region must be governed by the price at the center of trade. The profits of the Issoire quarry were thus materially reduced. The owners talked of reducing the wages of their employees, but this they could not do, for the wages were always at the lowest point at which effective service could be secured. The natural remedy lay in an appeal to the Octroi. The Council levied five centimes per kilogramme on all millstones brought into Issoire. Some of the Council thought this levy an absurdity, for not a single millstone had ever been imported. The old proverb as to "carrying coals to Newcastle" was intended to cover just such cases, but the Mayor told them to wait and see, and the result showed his far-seeing wisdom. The quarry-owners doubled their home prices, while the Octroi preserved them from loss through out-

side competition. Then followed one of those curious surprises which lend such zest to the study of French economic problems. The price of millstones at the quarry in Issoire was nearly double the price of the same millstones in Clermont, whither they were carried by salesmen from Issoire. After a time Issoire mill-owners began to send to Clermont for millstones, instead of buying them at home. It was cheaper for them to buy their home products in another city, to pay carriage both ways, and to pay the Octroi at the city gates than it was to send across the street in Issoire for the same article. Freedom from competition at Issoire enabled the quarry-owners to fix their own prices at home, and thus to broaden the slender margin of profits which came from outside trade. This peculiar condition reached its climax when one of Beltran's wagons from Cler-

mont left Issoire with a load of millstones, while next day, the same wagon, without unloading, carried the same millstones back to be used in the mills of the Issoire General Company of Flour and Meal. The schoolmaster was ecstatic over the stimulus thus given to several industries at once. It was like killing a whole flock of diversified birds with one stone. But the Issoire Association for the Home Production of Millstones was not satisfied with Clermont competition, even in this peculiar form, and an increase in the Octroi put an end presently to further importations, even of their own output.

CHAPTER VIII

UNPROTECTED INDUSTRIES

THERE were also some curious omissions in the list, in spite of its length and complexity. An old woman, Widow Besoin, who lived near the Cantal gate, had five speckled Dominick hens, of which she was very fond. These hens were to her a source of profit as well as of pleasure. She came to the Mayor with the complaint that her neighbor, Farmer Bois-Rouge, who lived just outside the city gate, brought in the eggs of his chickens free, and sold them at prices far below those she was compelled to charge for the eggs of her hens. The Bois-Rouge chickens roamed over the whole farm and lived on grasshoppers and gleanings,

while hers lived in the kitchen and were fed on grain which had passed the Octroi. It seems that the schoolmaster in making up the Octroi list, in arranging the o's had neglected to look for words beginning with "oe," and so had omitted the word "œuf," which is the French for "egg." So the Council was called together, a rate for "œufs" was agreed upon, and Widow Besoin's Dominick hens were free from the pauper competition of the chickens of Farmer Bois-Rouge.

But the action of the Octroi was on the whole, as I have said, extremely beneficial. It filled the treasury again, and it stimulated a large number of infant industries which had previously been unable to compete with established industries in surrounding towns, on account of the high price of raw materials, and especially of labor at Issoire. It is true

that workman Jacques and some of the other laborers complained that these high wages were high in name only. In Clermont men worked for three francs a day, but these three francs would buy twelve yards of calico or ten pounds of sugar, while the five francs received in Issoire would buy but ten yards of calico or eight pounds of sugar. But the schoolmaster wrote another letter to the *Courrier des Grands Moulins*, showing that the question of wages was solved by an estimate of what the laborer saved, not by what he could buy with his wages. "Every workman," said he, "as statistics show, saves thirty per cent. of his wages. In Clermont, therefore, the laborer lays up one franc per day or three hundred francs per year. In Issoire, he lays up one franc fifty per day, or four hundred and fifty francs per year, a difference of one-half in favor of the workman at Issoire

as compared with the pauper labor of Clermont."

The workman Jacques read this aloud in the barroom of the Lion d'Or, and pondered over it a good deal, for the logic was irrefutable, and yet after all these years he had not four hundred and fifty francs which he could call his own.

The Mayor made a speech to the workmen, congratulating them on his reelection, and assuring them that "for them and for them alone, the Octroi was brought to Issoire. It was the pride of Issoire that its workmen were princes and not paupers. If they paid high prices for articles of necessity, it was only that they might get higher prices in return. You sell more than you buy, and what you sell—the strength of your own right arms, costs you nothing, and, when it is sold, is as much yours as it was before. It's God's bounty to the workingman. If

these industries which the Octroi has built up around you are left unprotected, you too would be left without defense. In the natural competition of trade, the rich grow richer and the poor poorer. Without the Octroi we should behold here as in Clermont the spectacle of the chariot wheels of Dives throwing dust into the eyes of Lazarus. But here in Issoire, Lazarus is, so to speak, already in Abraham's bosom. The workingmen of Issoire have no truer friend than Issoire's Mayor, and to cherish their interests is the dream by day and by night of Issoire's Common Council."

CHAPTER IX

PROGRESS OF THE FIRST EXPERIMENT

BUT we must return to the boot-trade on which the Octroi was first established. The history of that industry is the history of all the others, for in one way or another all experienced the same changes and conditions.

The profits were large at first, and very soon the Issoire Citizens' Foot Wear Manufacturing Association had no longer a monopoly in boots and shoes. The original concern still retained the city contract for supplying boots to the laboring men, but the others found the general trade no less profitable.

But soon an unexpected decline in boot

consumption took place. People perversely wore their old boots which had long passed the season of presentability. The children went barefooted or shuffled about in sabots. Even worse, many parents bought for their children a new kind of copper-toed shoe which was made in Clermont—a shoe that could never wear out at all; one of the worst possible things for the shoe-trade in any country!

When it was found that boots and shoes enough to last for five years were for sale in the shops, it was evident that something must be done. The original concern decided to wait. It closed its factory and discharged its workmen. But some of the other firms could not wait. They must have their money back or go into bankruptcy. Shoes began to come down. Every shoe dealer was alarmed, and a meeting was held in the Café de la

Comédie, to see what could be done. It was decided to lower the prices and then to maintain them. Boots were rated at fifteen francs per pair, and shoes and slippers in proportion. But one dealer could not keep his promise. He had a very large and handsome new shop, and he had spent much money in fitting it up. A gentleman, Monsieur Chiloque, who loaned money on usury, and was a distant connection of the firm of Rothschild, from whom he had borrowed the money, said that he had lent money for legitimate use, not for speculation—to sell shoes, not to hold them for higher prices. This stock of boots was thus forced on the market, when it was sold at auction for what it would bring. And other dealers had to sell for similar prices, or lose all chance of selling at all. And so Issoire was full of notices—

“GRAND SLAUGHTER OF BOOTS AND SHOES!”

“BOOTS GIVEN AWAY—ONLY FIVE FRANCS A PAIR!”

Boots were never so cheap before, in Issoire or anywhere else in France.

The Issoire Citizens' Foot Wear Manufacturing Association took no part in these cheap sales. Its agents were active, however, and they privately bought up a part of the stock of the smaller stores, and sent out several wagon-loads across the country to Clermont, and one down the river to the farmers about Viverols and in the valley of the Loire.

It was an era of cheap boots. Everybody was well shod. The children burned up their wooden shoes, or used them only for coasting in the winter, and there was general satisfaction. The Minister of Public Instruction, who spent a day in Issoire on his way from Marseilles

to Paris, had a pair of new boots presented to him by the Common Council, and he showed these at home as an example of what the Octroi could do for a town. "Boots," said he to the Minister of Finance, "are actually cheaper to-day at Issoire than they are at Paris or Lyons. So much has the Octroi done for my countrymen." And the Mayor sent a message of congratulation, reminding the people that his promises had come true. "The Octroi has reduced the price of boots, and has demonstrated the truth of the paradox that the quickest road to low prices is to make prices high." The traders who had gone into bankruptcy left Issoire, and were speedily forgotten, except by their creditors, chief of whom was the gentleman who had placed his funds in usury—Monsieur Chiloque. It did not much matter about them in any event. Their loss was the community's

gain. It was not Issoire's fault that these reckless corporations were dealing on borrowed capital, and could not stand the strain of reduced prices.

CHAPTER X

A TRUST

AFTER the period of congratulation was over, the President of the Issoire Citizens' Foot Wear Manufacturing Association called the heads of a few of the rival houses to his office. They agreed together to ask for an increase in the Octroi, in view of the depressed condition of the boot-trade, after which they would, in view of the increase of the Octroi, raise the price of boots to twenty-five francs. They formed a new Association, called the Issoire Anonymous Equitable Confidence Association, the object of which was to prevent the Clermont dealers from flooding the city with cheap boots, a thing which the latter had been steadily

on the watch to accomplish. The Equitable Association or Society took special pains to serve Issoire by regulating the price of boots according to the city's real needs. The city had suffered from overproduction. Now, when any firm outside the Equitable Society tried to resume work, the price of boots was suddenly lowered, until the competing dealer would be willing to sell out on favorable terms to some of the Society's members. There were a few dealers in Issoire who still brought boots over from Clermont. These were made to understand that their course of action was unpatriotic, and that it was displeasing to the members of the Equitable Society. The office of the Octroi was visited by several men who accused one of these dealers of having silk stockings concealed in an invoice of boots from Clermont. All the boxes were opened, and each boot examined. Then

all were thrown in a pile by the side of the street. The owner gathered them up as well as he could, but the street boys helped him, and before he knew it, several boys and several pairs of boots were missing together. And so in a hundred ways the Equitable Society discouraged outside and inside competition, until at last the entire boot-trade fell into its hands.

But the rise in the cost of boots had its effect on the workingmen. Clearly the increase in the price in boots was due to the growth of labor: for the price of hides was no greater than it was before, while the value of hides made up into boots was materially higher. If a day's work was worth five francs before, nine francs was not too much now when labor was so much more valuable to the capitalist.

The big workman Jacques thought this out, and in the café of the Lion d'Or he

advised the workingmen to march in a body to the President of the Confidence Society to demand their rights. They did so with the Master-Workman Jacques at their head. Their demand was nine francs a day, or no more boots in Issoire. The President had expected this—in fact, he had rather hoped for it; and so he had kept a good stock of boots in reserve for such an emergency.

He spoke very kindly to the deputation, patted Jacques softly on the arm, but in brief, said that the state of the trade would permit no increase in wages at present. Next day the doors of the factories were closed, and each workman received his pay in full and his discharge.

For a week the factories were empty and silent. The Confidence Society was not idle, however, for a trusty messenger had been sent at once to the village of

Jonas. He offered four francs a day to the Jonas men, if they would come over to work in Issoire. Now, Jonas is a queer little town, built all around the brow of an old volcano. I doubt if there is another like it on earth. The top of the hill is made of hard lava, below which is a belt of ashes, very old and packed solid, but as easy to cut as cheese. Long ago the ancient Gauls burrowed into this hill and filled it with their habitations. These appear like gigantic swallows' nests when you look at the hill from below. One of the largest of these houses is used as a church, and its lava walls are rudely frescoed over in imitation of the big church in Issoire. Only very poor people live in Jonas now—people who can not pay much rent, and who do not mind the absence of fire in the winter. And the Jonas men were glad to come over to Issoire for four francs a day, to take up

the work which the pampered laborers of Issoire had refused.

The coming of the Jonas men was a great surprise in Issoire, and gave rise to much hard feeling. The workmen who were idle met them with eggs and cabbages, and some of them even carried bricks. But the gendarmes were on the side of the Confidence Society, and they protected the new men from any serious harm. So the mob followed sulkily in the rear, shouting something that sounded like "Rah, rah!" though not spelt that way: for this is the French way of saying a harsh thing in a delicate manner. The French people are noted for their refinement of courtesy.

CHAPTER XI

LABOR AND CAPITAL

WINTER was now approaching, and the discharged boot-makers of Issoire found their condition daily more and more unpleasant. They had an Association among themselves, called the "Chevaliers of Industry." The big Jacques was Master-Workman, and they met in the café of the Lion d'Or to discuss matters of common interest. They had a good deal to say of the power of organized labor, the encroachments of capital, and with the contention that the value of all things is due solely to the labor which is put upon it. The so-called raw material, land, air, water, grass, cowhide, shoe-pegs—all these are God's bounty to men.

No one should arrogate these to himself and they should be as free as air. All else in value labor has given. Capital, the interloper, has unjustly taken the lion's share, and left a pittance to labor. What capital has thus taken is ours, for we have made it. Then the speaker referred to the sung little capital which the President of the Confidence Society had laid away in his strong-box, and which shone out through his plate-glass windows, and made itself felt in every smirk of his self-satisfied face. Another speaker said that the thief of labor was the worst of all thieves, and for them to despoil him was but to seek restoration of stolen goods. And the schoolmaster said that he who takes for his own the value labor has given is worse than he who robs upon the public highway: for he adds hypocrisy to theft.

Some of them counseled an immediate

attack upon the managers of the Confidence Society, but the voice of Master-Workman Jacques was for some compromise which would restore them to employment. There had been a considerable fund collected by the Chevaliers of Industry in the way of dues and assessments. This fund he distributed among the unemployed laborers, freely at first, but of late more sparingly. There were many who hoped to live through the winter on this fund, and these spoke in no pleasant terms of the Master-Workman's stinginess, and Jacques well knew that, if work was not soon resumed, the order of Chevaliers of Industry would come to a sudden end. Organized labor without cash or credit very soon dissolves into its component units, and these again are helpless without organization.

A few heeded his words of counsel, and followed his lead to their homes. But

the bolder spirits stiffened their resolves with the robust wines for which the Café du Lion d'Or is so justly famous, and started for the residence of the President of the Confidence Society. They roused him from his bed, killed one of the men from Jonas whom they found asleep at his door, insisted upon an immediate division of his personal property—which he was only too willing to grant—and next morning they found themselves in jail charged with robbery and murder.

There was again excitement at Issoire. The workingmen held a mass meeting at the Lion d'Or, and passed resolutions of sympathy and defiance. The wives and daughters of the members of the Common Council sent bouquets and baskets of fruit to the prisoners, and the Mayor said that he loved them as though they were his own sons. But the law in France is in higher hands than those of the muni-

ciality. It is swift and sure. The prisoners were taken to the capital city, Clermont, to be tried. The sympathies of the judge were on the side of capital, and he paid little attention to the plea of organized labor. "If your theory is true," said the judge, "you have no sort of claim on the boots you have demanded from the President of the Equitable Confidence Society. All this labor you talk of is simply the moving of things back and forth. How can this confer value? The real work is done by the cow; and the herdsmen on the mountain, who are her heirs and assigns, are the only persons who have a natural lien on the boots which are made from her hide when she is dead. This claim the herdsmen have assigned to capital, and to capital, therefore, all the boots belong."

It is hard to fight against monopolies. The men were condemned. The red flag

was raised on the Golden Lion. A good deal was said, fiery speeches were made. But talk ended in talk, and nothing further was done by organized labor towards taking possession of its own.

CHAPTER XII

THE POLICY ON ITS DEFENSE

A NEW election was at hand and the Mayor's party issued a call to the workmen to rally to his support.

"All who believe in the Grandeur and Glory of France, in the principles of *Liberté, Égalité, Fraternité*, that the finest nation in the universe is our own, that the tricolor should never be pulled down wherever it has floated, that our homes should be protected at whatever cost, that honesty is the best policy and virtue its own best reward, and that the Issoire idea of a perpetual Octroi is for the defense and development of human interests and the elevation of home labor; all who would reduce city taxes and prevent the accumu-

lation of money not needed for city uses, by the perpetuation and extension of the Octroi; all who are opposed to all schemes tending to dethrone this policy and to reduce Issoire's laborers to the level of the underpaid and oppressed workers of Clermont and Jonas—are called to join in the re-election of Mayor Panache-Blanc and his supporters in the Common Council."

The Mayor spoke from the steps of the Hôtel de Ville in defense of the Octroi, on the success of which agency he justly based his claim for reëlection.

He showed how the Octroi had changed Issoire from a dull and peaceful agricultural village with few industries, and those only the ones for which the town possessed special advantages, into a microcosm in which a little of everything was made and sold. Issoire was no longer a town where nothing happened, and in

which the procession of grain wagons, the same yesterday, to-day, and to-morrow, wearied the eye and the ear with their ceaseless monotony. It was a city in which the clashing of interests and the fluctuation of prices made every one anxious for the morrow's sun to rise, that he might see what would happen next. He spoke of the promising infant, the industry of boot-making, which had always stood in the forefront of Issoire's development. He touched lightly on the late labor difficulties, as a mere incident in the city's progress, "a spark struck out from the clashing of great interests, as from flint and steel." "Different directions may produce such," said he, unconsciously quoting from an earlier economist, "nay, different velocities in the same direction." Then he spoke of the value of the Octroi to the workingman, and of the charmed life he leads in Issoire. He

repeated all the arguments drawn from the prices of boots and the prices of labor which the schoolmaster had written out for him, and everything went on beautifully till near the close, when the Master-Workman Jacques rose to ask a question.

“How is it,” said he, “if the lot of the workingman is so pleasant in Issoire, that there are not a dozen workingmen born in Issoire, in all the factories in this city? How is it that the mills are full of paupers and rodents from Clermont and Jonas? How is it that the census shows that Issoire is actually poorer to-day than she was ten years ago, that her pauper roll is ten times as large, and the only citizens who have grown rich are the city officers and the members of Issoire’s iniquitous nameless Equitable Confidence Societies? If the Octroi is to benefit the laborers of Issoire, why don’t you put a tax on the force of workmen who swarm

into Issoire, and not on the Issoire laborer's food and clothing? It seems to me, Sir, that when a city begins to fix things to help one set of men and then another, taking money from the poor for the enterprises of the rich, rather than to consider the common good of all, it is on dangerous ground. It was not for this that our nation chose its motto of Liberty, Equality, and Fraternity. It is a step towards slavery, anarchy, and inequality before the law. Once started on this sort of thing, everybody clamors for his share. Every one who is better placed than the rest gets it, and the others pay. Every man too lazy to work, and every man who has no paying business, seems to think that the rest of the town owes him a living."

Warming up with the subject, he continued: "Take this millstone business of yours, for example. It is all folly to talk

of the wealth in your stone-quarries, if you have to hire their owners to work them. If we can buy millstones in Clermont for less than it costs to cut them in Issoire, it is money in our pockets to leave them in the ground. If any line of business needs to be constantly propped up, and can not live except at the expense of its neighbors, it is no industry at all. It is a beggary. It is a burglary. And this Octroi of yours has made a beggar or a brigand of every industry in Issoire!"

But the Mayor waved his hand and smiled, and said that some men were never satisfied. They would grumble about the golden pavements of the New Jerusalem, if they could not turn them into cash on sight. Then he referred to a conspiracy among men suborned by Clermont gold, to flood the streets of Issoire with cheap bread and meat and po-

tatoes and clothing. He asked all who wanted to be slaves to Clermont to rise and be counted. He showed that, of all people on earth, the people of France were the happiest; of all people in France, those of Issoire were most favored; and of those in Issoire, the best of all were the workingmen, the especial guardians of the Issoire idea.

CHAPTER XIII

A TREASURY SURPLUS

MEANWHILE the extension of the Octroi to 3,872 articles had greatly increased the wealth of the city, and the city-treasurer's strong-box was so full that he had to make a second one, and to hire three trusty Clermont men to watch it day and night, and then three men from Jonas to watch the first three. What should be done with the money, to keep it in circulation: for, if it remained locked up, the wheels of industry would soon begin to creak, and creaking is a sign that wheels need oiling?

The Mayor had proposed to divide it among the several Equitable Confidence Societies, in order to encourage industry,

and thus enable these companies to raise still higher the high wages of the men from Jonas, who were now the only laborers employed in Issoire. But to this many objections were raised. The followers of the workingman Jacques were especially difficult. They even said that they would not trust the Equitable Societies to make such a division.

The schoolmaster wanted the surplus divided among the school children, in proportion to their raggedness, those with the greatest need to get the most. This was favored by almost every one, because it would benefit the laboring man and help on the clothing trade. On the other hand, the injustice of the scheme was soon made apparent. It is economically wrong to give money to the poor, because such giving always tends to enervate. The very fact that a man is poor shows that he is not fitted to take care of money.

The private secretary called attention to the well-known fact that in France "Charity creates half the misery she would relieve, but can never relieve half the misery she creates." Some of the Common Council wanted the old Roman wall built up so high about Issoire that no one could see out of the town, and then to have the top so beset with broken bottles that no one would climb over. A few of the extreme devotees of the Issoire idea wanted the surplus in the treasury devoted to destroying the roads to Clermont, that all danger from the flood of cheap goods with which that city stood always ready to overwhelm Issoire, would be removed forever. One of the Council even wished to use it for the permanent closing of all the city gates: for, as he said, "if we are good citizens we will have no relations with Clermont. What have we to do with abroad?"

But the private secretary of the Mayor remarked that altogether too much had been said of this matter of surplus revenue. "It is a good deal easier," he remarked sagely, "to manage a surplus than a deficit." Then the Mayor said: "It is much better to have too much money than to have too little. Too much money is the very essence of prosperity. I wouldn't mind having a little surplus myself." Then the Council laughed, and each one thought of what he could do with his share of the surplus. Then they discussed various other plans looking toward an equitable distribution of it in places where it would do the most good. To be let in on the ground floor, is an important factor in prosperity. For this, a seat in the Common Council offered some advantages.

The workman Jacques had become a member of the Council, and was now

selected as the opposition candidate for Mayor. As such candidate, he made another of his reckless speeches, demonstrating that those for whom most has been done are always most greedy for more. He said: "This talk of the Octroi stuff is all brag and folly. The Octroi is a tax to make things higher, and the cost comes out of our pockets. That is why we are so poor. The Mayor says that it is collected from the Clermont merchants. The Mayor knows better. In the long run it is charged up to us, and we pay. What does a Clermont merchant care whether we pay him ten francs for a pair of boots outside the city gates, or twenty francs inside after he has paid ten francs toll? It is all the same to him. He loses nothing either way, except that our absurd laws have lost him a good customer for his shoes and his woolens, and we have lost a good customer for our mill-

stones and wines and wheat. If I can save ten francs by buying my boots at Clermont, have I not a right to save it, and whose business is it if I do? The money I saved makes me a better citizen. I came by it honestly. The Octroi is putting into the city treasury each year fifty thousand francs more than the city has any honest use for. All this is wasted by our recklessness, and the whole town will go into bankruptcy if this goes on for three years more. There isn't money enough in the city to keep up this surplus. The money can not get out of the treasury unless some one steals it out and puts it into circulation; and, if I understand you, gentlemen, this is just what you propose to do."

This speech was the sensation of the day. It was spoken with a blunt earnestness such as well-meaning but ignorant men are often found to possess. Its soph-

istries were not at first apparent, for the very reason that the speaker himself did not know them to be sophistries.

It was printed next morning in the *Issoire Étoile du Midi*, and it made many converts among those who were unable to expose its errors. The landlord of the *Hôtel Ancien de la Poste et des Épaulettes* indorsed it because the patronage of that excellent hostelry had greatly declined since the cessation of the barter with Clermont. Some of the manufacturers favored it, for they must have wider outlets for their trade: the market of Issoire was soon glutted, and the Octroi increased the cost of manufacture even more than it raised the price of the finished goods. The Mayor said that Jacques was a fool. His words might be true in theory, but these were practical times. Plain talk like that would ruin any man's chances in a popular election.

Jacques should have remembered that he was a candidate. The parish priest, who seldom meddled with politics, declared that the address was timely and patriotic, and that the real friend of the laboring man was the man who gave him justice instead of patronage. What he needs is a free field and fair play. Those who coddle the workingman mean sooner or later to pick his pockets. To this end the Octroi was merely a clever device. He further said that, in his opinion, the Mayor and Council were wrong in their theories of wealth. Their fundamental error was this: that they were trying to make the people of this city grow rich off each other. Wealth won in that way is not gained at all. It is merely transferred from the weak to the strong. He even marched in a procession which went through the streets carrying banners inscribed: "Long live Jacques, the Master-

Workman!" "Down with the Octroi!"
"Away with useless taxes!"

But the reaction soon came, as it always comes in the politics of France. That it came so early was due to the Clermont journals. They published Jacques' speech in full, with words of great approbation.

In the Clermont *Libéral* were the headlines: "Long Live Mayor Jacques!" "Down with the Demagogues!" "Issoire Coming to Her Senses!" "The Workingmen Repudiate the Octroi!" "Good Prospects for the Clermont Trade!" "The Markets of Issoire to be Ours Again!"

It was on the very eve of the election that the Clermont journals were received in Issoire. This was enough. Issoire was again to be deluged with cheap food and clothing. Clermont had said so. What sophistry had seduced, patriotism re-

claimed. The Mayor said that if Jacques was elected, the Octroi would be removed at once, every man in Issoire would be ruined, and the city, bound hand and foot, would be delivered over to Clermont. She would be the dumping place of the whole Puy-de-Dôme. Ten wagon-loads of goods would be sent in the place of one, and not all the money in the whole city would suffice to pay for them. Then he read from the Clermont *Libéral* an editorial in which Jacques was compared to Charles the Bold and also to Philip the Fair, defiant figures in the history of France, also to Charles Martel and to St. Austremoine, the first martyr hero of Iciodorum. The reaction was tremendous. Every word from Clermont in praise of Jacques was, as the Mayor said, "One more nail in his coffin."

The election day came at last—as such days always come. It was a bright Sab-

bath afternoon in early August, for in France elections are always held on Sunday afternoons. The linnets sang in the poplar trees. The wheat fields shone golden through the city gates, and the poppies along the hedges stood out in scarlet contrast. The Café du Lion d'Or was covered with flags and with red ribbons in honor of Jacques, while the Café de la Comédie was similarly draped in blue and gold in honor of his rival. The people were out in their best clothes and Issoire-made boots, and the candidates were among them, all smiles and attention, though I thought that a slightly misanthropic expression worked about the big workman's mouth.

The bands played. The rival processions moved about in the streets. The longest of these carried banners inscribed "*Vive l'Octroi!*" "*À bas Clermont!*" "*Le Surplus toujours!*" "*Rallions-nous*

*au Panache-Blanc!" "Toujours le Panache-Blanc!" "En avance le défi!" **

Everybody seemed falling into line, and so I followed, keeping step with the music.

* In English, "Get your bluff in first." This is also the motto of an Equitable Society in New York, the "Laurel Hill Gang."

CHAPTER XIV

SAVED AT LAST

ALL at once I heard a fearful blood-curdling scream. The procession swiftly dissolved, the music ceased, the banners vanished. I rubbed my eyes and looked about me. I was sitting on an overturned nail-keg at the Clermont gate, just outside the city of Issoire. The old gendarme who guarded the gate was slowly drawing a dripping sword out of a large bundle of oats, in which he had thrust it while performing his duty as inspector. Within the oats was violent excitement. A contraband hog concealed inside the bundle of oats, that he might escape the Octroi, was lustily kicking and filling the air with his frantic screams.

Then I knew that the city had been once more saved, for the Octroi was still going on.

And it is going on yet! And best of all Clermont herself, Clermont the proud, Clermont the self-sufficient is now calling for it too!

NOTES

Page 9. "To meet this problem." This was in France. In other countries wise and forceful men have devised similar methods, adopted for the same purpose. In Germany the barons in certain famous castles along the Rhine maintained themselves by preventing travelers on the river from removing articles of value from the local province into some other. Thus the Mouse Tower on the island at Bingen enhanced the prosperity of the whole city of which it was an outpost.

Similarly in Southern Spain, at the Cape of Tarifa, the impedimenta of travelers were generously overhauled to the end that they might not carry away property or money that could be held in the hands of the proper officials. Thus the prosperity of the province of Cadiz and through it of all Spain was materially enhanced, and the world has taken the name of the town, Tarifa, as a name for all international transactions of the same order. It is claimed, however, that as the idea is older than the town, the name goes farther back than either. It is from an Arabic root, meaning "information" or "scent,"—the process of scenting out information by opening and spreading out the effects of travelers. It tends to discourage the movements of foreigners in regions where they have no business.

"One of America's foremost statesmen." Hon. James G. Blaine, in 1887. Few statesmen of modern times have understood the basal elements in the promo-

tion of prosperity so well as he. Unfortunately, however, the completion of his purposes fell into other hands, and the development of the principle of the Octroi as a cornerstone of our own republic is associated with the less sonorous name of Dingley.

Page 10. "These wagons" bore the crest or banneret of the city of Issoire. It was the proud boast of Issoire's people that their banner was seen on every roadway. The fact that each wagon was carrying away goods from the city, or else carrying away its money to be exchanged for perishable goods, was not evident at first, and the people rejoiced in their pride of commerce. When high finance came to be better understood, these wagon-crests or flags vanished from the highways.

It is a curious fact that in our own country before the development of the Octroi, we had a similar pride in the fact that the flag of the republic was seen in every sea. We forgot that our ships carried away either our substance or our money, and as we have realized it, they too have begun to disappear, as later, in this doleful tale, the Issoire wagons did.

Page 13. "The law of political economy," etc. A similar observation was made when the Octroi was introduced into America. It is credited to Mr. Blaine.

Page 16. "The purpose of the Octroi." The substance of this argument appears later in a presidential message concerning the advantages of the Octroi in America.

Page 20. "A little coterie of the aristocrats." This class, known in Auvergne as "doctrinaires," has had also its emissaries in America, and especially in the vicinity of Boston. Their opposition has been one of the most grievous obstacles in the way of prosperity.

It was, however, rather of the nature of the pin prick "*aiguille*" than of the big stick "*grand baton*" by which it was later followed.

Page 24. "The rights of man," "*les droits de l'homme*," is a phrase often used in France to mean the transference of the use of money from one person to another, especially from the rich to the poor.

Page 26. "The lot of labor." This argument has been also developed by a distinguished professor of Economics in an American University. In theory, it is incontrovertible; in practice, it often seems to fail through the improvidence of the workingman in forestalling the prosperity which is sure to be his in time, but which filters to him through the overflow from the hands of others.

"Twenty francs to workingmen." The principle of bounties is a natural outcome from the Octroi. It has since been widely and beneficially extended in Germany and America, as well as in France. Witness the large sums paid to enable men to engage in the beet sugar industry, otherwise unprofitable, but now one of the great sources of national wealth. It is a pleasure also to see the honest woodsman collect his pound of sugar from the maple tree, while from the United States treasury he collects the money to buy another pound of sugar from the cane. By mixing the two with water he may sell three pounds of the best maple syrup. Thus even in the remotest forests of Ohio or Vermont, the Octroi promotes local prosperity, not to say industry.

Page 29. "Advancing hosts of workingmen." The extreme mobility of labor is one of the great disadvantages of modern life. As soon as prosperity

is established, it is at once impaired, as by a horde of Vandals, who insist on sharing it without regard to the rights or the feelings of those for whom it was originally established.

The same conditions have brought similar results in other countries. Thus when the Anglo-Saxon had established prosperity in America, the German came to divide it with him. Afterwards came successive waves of Irish, Dutch, Scandinavian, and afterwards of Italian, Hungarian, Armenian, and Greek invaders, with finally return surges from China, Japan, and Hindostan. Wherever men are prosperous, the oppressed and down-trodden of every nation are drawn as if by a vacuum, and the work has all to be done over again. This is very inconsiderate on the part of the down-trodden. If they would stay away and give us time, we would bring the Octroi to them.

Page 33. "Prosperity along a single line." This is the one fixed point of the whole discussion. Partial prosperity is held by the supporters of the Octroi to be like a handsome carriage with only three wheels. To make even speed, there must be four. The Octroi, they say, fails to serve its highest purpose unless its benefits are felt along the whole line, and felt by all, whether an industry is adapted to the locality or not. Whether a half Octroi is better than none, is an academic question, like that of the relative merits of the whole loaf and half loaf, or of the full pocket and the full dinner pail.

Page 35. "No excuse for buying anything in Clermont." This idea was developed in an executive document in the Harrison administration in America—a nation complete in itself, and sustained by the voluntary contributions of foreigners. (Anything left

over may be spent for battleships.) This is an ideal worthy of the highest statesmanship. It is a mere detail that it needs a territory including not only arctic bear-skins and tropical fruits and everything between; but also everything East and West.

Page 40. "The non-producing class." The mayor of Iciodorum is not the only person who says strange things about the consumer. Was it he or Mr. Grosvenor of Ohio who spoke to the following effect?

"It is an unfortunate reference that is constantly being made to the wants and anxieties of the consumer. The prosperity of the consumer goes hand in hand with the prosperity of the manufacturer.

"It is plain that if any one grows rich, the luster of his wealth is reflected from the faces of all of us. It creates, as it were, an atmosphere of affluence, and where affluence is, all the other charms of life soon gather. The consumer should be willing, nay eager, to contribute a little of his substance in view of the universal good, which is the final goal of all our efforts. The fact that all the members of our common council are themselves beneficiaries of the Octroi is our best guarantee that the Octroi as framed by their wisdom shall always be wise and good."

Page 42. "The wagon shop was closed." The disappearance of the flag from the sea, as of the wagon from the roads, is a real index of prosperity. If we are sufficient unto ourselves (*if*), we will neither buy from nor sell to outsiders.

Page 43. "Unless said vehicle was made in all its parts." After July 1, 1909, copyright on an English book can not be obtained in America unless the type is set and the book printed and bound in the United States, and a sworn certificate deposited in Washing-

ton to that effect. Typesetting in the United States has been required since 1891. When editions are imported, duty is collected not only on the cost of making them, but of setting the type, even if that was done a generation before; and efforts have been made to levy a duty even on payments made to foreign authors.

Probably it is this example of the United States which has led England to require the manufacture on her territory of articles protected by her patent laws. So far, the English press has professed a sense of shame against applying the same principle to literature.

Page 53. "The price of millstones." Since this incident, the copper market of the United States has displayed a similar anomaly as a result of general prosperity. For some years copper from Lake Superior could be bought in London and laid down in New York with the Octroi paid upon it, more cheaply than it could be bought in Michigan, where it was originally produced.

Page 56. "Omitted the word œuf." This shows the importance of thoroughness in schedule-revision. Anything omitted is a thorn in the foot of prosperity.

Page 57. "Saves thirty per cent." This argument, first used in Issoire, has become familiar in other countries, particularly in the United States. The increased cost of living involving larger expenditures enhances the joy of spending. Money which can not be spent gives little pleasure to any one. To have one's living expenses doubled, with doubled wages at the same time, doubles the pleasure of each expenditure, while on the other hand double the original amount is left for savings. This principle will admit of any degree of extension. The only difficulty is that the doubling process is necessarily effected at a cost of

administration (some even say of subsidy to manufacturers, not to speak of graft) which goes onto the taxed commodities and therefore makes them advance faster than wages.

Page 65. "Boots are actually cheaper." Examples like this occur in the history of every city or nation which shares the advantages of the Octroi. Numerous articles made of steel have been thus exhibited by American statesmen to illustrate the cheapening effect of increase of price.

Page 67. "A new Association, — *Société Anonyme Equitable de la Confiance*."—Such societies are organized in France to conserve and emphasize the elements of prosperity. The word "anonyme" emphasizes the necessity of a certain secrecy in the organization of these societies. The words "equitable" and "confidence" may be translated into English as "trust."

Page 68. "The competing dealer would be willing to sell out on favorable terms." This process of equalizing markets is known in France as standardizing, or bringing to a standard, in French "*l'étendard*." Hence the term "Standard Oil," used in a similar sense in the United States, an equalized or standardized oil market. An old folk-song popular in France has reference to this same process as seen in finance and in politics. "*L'étendard sanglant est levé!*" In the same song, the attempt to destroy this standard is called a "day of glory." "*Le jour de gloire est arrivé.*"

Page 69. "Several pairs of boots were missing." This process is sometimes called "rescuing." In like manner railways badly managed have been "rescued" from their owners to the public advantage, just as the boot-trade in Issoire was rescued from the boot-peddlers.

Page 75. "Organized labor without cash or credit." This is where capital has always had an undue advantage: cash and credit are, of course, inalienable rights of man, whether or not man has earned them, and saved the latter.

Pages 82-3. "Workmen who swarm into Issoire." The mobility of the workingman, so much deprecated by a certain school of economists, is here to blame. If he would stay on the same spot for a generation or two, he would receive in due time all the rewards of prosperity, so far as these were equitably due to him.

Page 83. "Help one set of men and then another." It is perhaps unfortunate that so much stress has been laid on the idea, somewhat academic, though no doubt correct, that "all men are born free and equal"; on "equality before the law"; and on "*liberté, égalité et fraternité*": for the idea that the law should not take the property of one man to help another, would certainly interfere with the movements of enterprise. It is another maxim that "the world owes every man a living"; but when this easy debt is paid, the rest should go to "those who can use it." In any event, the Octroi is a humble instrument in this direction, and no doctrinaire notion of equality before the law should stand in the way of its efficient action.

Page 84. "If any line of business needs to be constantly propped up." This same idea has been expressed in America. See the early messages of President Cleveland. But why indeed should not Issoire pay its quarrymen to leave the millstones in the ground, if thereby the prosperity of the city can be increased? The profit of the quarryman remains the same, and the money is kept in the city. So far from being "a beggar

or a brigand," an industry thus suppressed may be considered as a patriot-martyr—a martyr to the general good, but relieved from all pangs of personal suffering.

"To flood the streets." There can be nothing worse for a country than to be made a dumping ground for the products of another nation. The investigations of the Honorable Joseph Cannon and of the equally honorable Joseph Chamberlain, leave no doubt as to this. If this condition continues, the people will be able to live cheaply, and without paying tribute to the Equitable Societies and other beneficiaries of the Octroi. Under such circumstances the Octroi itself might languish and die, and a great weapon of enterprise, the Excalibur of modern finance, would be dulled and destroyed.

Page 87. "Treasurer's strong-box was so full." The surplus is one of the best evidences of prosperity. The deficit is another evidence, equally strong in its way. The surplus is an indication of advancing returns in business. The deficit is an indication of advancing needs, a sure evidence of personal, municipal, or national activity. Narrow-minded economists or doctrinaires have condemned both surplus and deficit, but on false grounds. He that owes nothing generally has nothing. To owe much is a proof of great credit, and therefore is to be well on the way to great riches.

Page 89. "What have we to do with abroad?" This question is attributed to the late Stanley Matthews of Ohio. It first appears in the records of Issoire. Those regions called "abroad" offer us only confusion and financial disaster.

Page 90. "To manage a surplus." This idea of the value of a surplus, regardless of the fact that it simply proves that there has been needless taxation, appears in

executive documents in the United States in the later eighties.

Page 94. "A free field and fair play." There is in France a theory of political economy known locally as "*Laissez-faire*." This is in English the "let-alone" theory. In practice, it involves letting every man keep whatever he gets, without any effort on the part of the state to force him to spend it wisely or in fact to make him do anything whatever with it. Under the influence of "*laissez-faire*," the Octroi would be abolished, and with it all influences tending to draw or drive money from the hands of the masses into the hands of "those who can use it." Unless money falls (or rises) into such competent hands, there can be no continuous national enterprise.

It is a fallacy to claim that the Octroi can not increase wealth—that it merely shifts it from the pocket of the consumer into that of the manufacturer and the laborers who are in partnership with him. According to this theory, the city or the state is none the richer for all these operations, which have been compared to lifting oneself over the fence by means of his bootstraps—what is gained on the legs is lost in the hands, and the whole body has no upward movement. This illustration is not a just one:—to transfer money from the common citizen to the man of enterprise is to put it where its increase will be most rapid. As we have already shown, it is the success of the few which enriches the state. A community is richer with one great corporation which bestrides the earth, and has kings and bankers, senates and churches, tributary to its power, than with a dozen business firms each striving to make both ends meet. The process of forming a perfect American Beauty Rose by pinching off all competing

buds has been already mentioned. By the same process we may develop a giant chrysanthemum, or a corporation of any sort which shall be hailed as "standard." Why should the feelings of the "competing bud" be considered?

The essential fact is plain. Wealth grows most rapidly when its components are in the hands of those who know how to develop wealth. This is a truism so self-evident that it is strange that any one could be found to dispute it. To dispute it is to utter the heresy of "*laissez-faire*," unless indeed we should claim that the first purpose of a state or a city is neither to make money nor to enable its people to do so, but to see that all have an equal chance to do so, if they are able. But if the state is rich as a whole, what difference does it make if most of the people are poor?

It is only the doctrinaire who places the diffusion of happiness above the increase of wealth; and the practical man inquires: What indeed is justice if it be not to "render unto Cæsar what is Cæsar's"; and is not that to render unto riches that of which, and by which, riches are made?

Page 95. "Due to the Clermont journals." But whatever is pleasing to our neighbors among nations must be bad for us. The effect on British financial journals of Mr. Cleveland's earlier messages in relation to the Octroi, is a modern instance of the same nature.



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